

Message Text

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INFO OCT-01 EUR-12 ISO-00 PCH-02 EB-07 AID-05 PM-03 NSC-05

SP-02 SS-15 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 /087 R

DRAFTED BY EA/P:STAFF:PP

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

DEPT OF TREASURY

AMEMBASSY MOSCOW

INFO USSAGE NAKHON PHANOM

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: MARCH 18 EA PRESS SUMMARY

1. INDOCHINA

NYT CARRIES TRANSCRIPT OF PRES' MAR 17 NEWS CONFERENCE AT

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NOTRE DAME U. PHINQ NOTES PRES CITED DEVELOPMENTS IN

CAMBODIA AS TO SOME EXTENT TENDING TO VALIDATE "DOMINO THEORY," SAID US MUST MAINTAIN AGREEMENTS WITH ASIAN ALLIES IN "ONE OF HIS STRONGEST STATEMENTS TO DATE" ON DETERIORATING INDOCHINA SITUATION. NYT'S SHABECOFF QUOTES PRES THAT "POTENTIAL REQUEST" BY THAIS FOR US WITHDRAWAL AND REVIEW BY PHILS OF RELATIONSHIP WITH US "APPARENTLY RELATED" TO INDOCHINA MIL SITUATION. SUN'S CLYMER CALLS "BLUNT" PRESS CONFERENCE MARKED CONTRAST TO MORE GENERAL AND PHILOSOPHICAL SPEECH GIVEN EARLIER AT NOTRE DAME THAT ATTACKED "NEW ISOLATIONISM." NYDN'S JACKMAN SEES PRESS CONFERENCE AS LATEST IN SERIES OF "REGIONAL" SESSIONS WITH REPORTERS THAT PRES HAS BEEN HOLDING AROUND COUNTRY. CHARACTERIZES FORD'S ASSERTION THAT NATL SECURITY COULD BE AFFECTED BY CAMBODIA'S FALL AS "STRONGEST STATEMENT" HE HAS YET MADE IN SUPPORT OF EXTRA MIL AID FOR GKR.

CHITRIB'S SQUIRES CALLS PRES' SPEECH "DISJOINTED CALL FOR CONTINUED US INVOLVEMENT" IN INDOCHINA WAR DESIGNED TO EASE SOMEWHAT STRAINED RELATIONSHIPS WITH NOTRE DAME HEAD. WP'S KILPATRICK BELIEVES PRES' SPEECH WAS DESIGNED TO ANSWER CRITICS ON REP RIGHT AND DEM LEFT WHO HAVE ASSAILED HIS FOREIGN POLICY DIRECTIONS. NOTES HE RECEIVED WARM WELCOME FROM STUDENTS AND TOWNSPEOPLE AND PLANNED STUDENT WALKOUT DID NOT MATERIALIZE. CSM'S SPERLING POINTS OUT THAT PRES, ALARMED BY IMPENDING CUTBACKS IN MIL AID TO GKR, HAS DECIDED TO MOVE TO STOP WHAT HE SEES AS DANGEROUS US TREND TOWARD ISOLATIONISM. SEES "FORD DOCTRINE" EMERGING: REJECTION OF ISOLATIONISM AND STRESS ON HUMAN AID.

SAYING ADMIN NOT PRESSING ENOUGH FOR INFO ON MIAS, COALITION OF ORGANIZATIONS ASKS PRES SET UP IMMEDIATELY TASK FORCE TO GET ACCOUNTING (UPI, WP).

SFRC APPROVES LEGISLATION TO PROVIDE 155.5 MILLION DOLS IN EMERGENCY MIL AND ECON AID TO GKR, WITH ABSOLUTE CUTOFF JUNE 30: 82.5 MILLION WOULD BE MIL AID, 57.5 MILLION FOOD AID, AND 15.5 MILLION MEDICAL AND ECON SUPPORT. MEASURE WOULD REQUIRE PRES UNCLASSIFIED

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REPORT EACH MONTH ON STEPS BEING TAKEN BY USG AND GKR TO END WAR. SEN PERCY TOLD REPORTERS ADMIN SUPPORTS PROPOSAL (NYDN SPECIAL). NYT'S FINNEY SEES SFRC 9-7 VOTE AS TEMPORARY ASSIST TO ADMIN IN EFFORTS TO GET EXTRA MIL AID FOR GKR. ADDS THAT IT REMAINS DOUBTFUL THAT HOUSE AND SENATE WOULD APPROVE MORE AID. NOTES SIMILARITY TO PROPOSAL REJECTED BY HFAC LAST WEEK, AND AT TIME OPPOSED BY ADMIN BECAUSE OF RESTRICTIONS.

FACED WITH IMPASSE, ADMIN RELENATED SOMEWHAT AND DOS'S ROBINSON ASKED HFAC RECONSIDER PROPOSED 82.5 MILLION COMPROMISE IN LETTER THAT MADE CLEAR ADMIN'S REAL AIM IS TO GET ISSUE ON HOUSE FLOOR. WP'S RICH SEES SFRC "NARROWLY WILLING" GIVE ADMIN ONE LAST INSTALLMENT OF MIL AID TO HELP FALTERING FANK GET THROUGH NEXT 3 MOS, BUT THEN "SPIGOT WILL BE CLOSED ABSOLUTELY." SAYS LAST WEEK'S HFAC VOTE AND RESULTS OF HOUSE AND SENATE DEM CAUCUSES MADE WH REALIZE IT RISKED LOSING EVERYTHING AND, AS RESULT, DOS MADE TACTICAL SWITCH AND ASKED HFAC FOR RECONSIDERATION. SUN'S PEPPER VIEWS SFRC ACTION AS MIXED BLESSING FOR ADMIN.

DOS' FUNSETH SAID GKR WOULD RECEIVE 21.5 MILLION DOLS MORE IN MIL AID BECAUSE VALUE OF ALREADY-DELIVERED AMMO OVERSTATED (CSM). NYT'S FINNEY NOTES ADMIN HAD BEEN SAYING ALL MIL AID MONEY SPENT, AND FUNDS

FOUND BY AUDIT "RELIEVED" SOME OF ADMIN'S IMPATIENCE FOR CONGRESSIONAL ACTION. NYDN QUOTES PRES THAT DOD'S BOOKEEPING "VERY SLOPPY" BUT HE DID NOT THINK MISTAKE WAS MALICIOUS AND THAT MONEY WOULD BE USED FOR MORE AID IF AVAILABLE. WP'S MARDER QUOTES DOD OFFICIALS THAT WITH MONEY FOUND, GKR WOULD NOW HAVE ENOUGH AMMO UNTIL ABOUT APR 30. NOTES SFRC INSISTED MONEY CANNOT BE LEGALLY USED, BUT THAT 5 MILLION SPENT LAST WEEK. SENATE SOURCE DESCRIBED SHIFTING OF ACCOUNTING METHODS THAT PRODUCED EXTRA FUNDS "GIMMICK" BARRED BY 1975 CAMBODIAN AID LEGISLATION THAT PUT ABSOLUTE LIMIT ON FUNDS; SFRC MEMBERS DEMANDED IMMEDIATE ACCOUNTING FROM DOD. SUN'S TREWHITT SEES ACCOUNTING-ERROR MONEY LIKELY TO BECOME CONTROVERSIAL. BELIEVES WILL MEAN EXTENSION OF PRESENT DELIVERY RATE BUT NOT INCREASE, AND MANY US UNCLASSIFIED

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SPECIALISTS ARGUE PRIVATELY THAT GKR CANNOT SURVIVE LONG EVEN WITH PRESENT SUPPLY RATE. PHINQ'S MCCARTNEY REPORTS NEW DISCOVERY SUGGESTED POSSIBILITY ADMIN MAY BE ABLE PARTIALLY BY-PASS CONGRESS, NOTES IT TOUCHED OFF EXPRESSIONS OF DISBELIEF IN BOTH HOUSE AND SENATE. QUOTES SEN SCOTT THAT ADMIN SHOULD "GO BACK AND LOOK FOR MORE." REP FASCELL SAID ANNOUNCEMENT "BORDERS ON THE INCOMPREHENSIBLE." NEW IMBROGLIO ERUPTED AS HILL DELVED MORE DEEPLY INTO GKR AID ISSUE, WITH MIXED RESULTS.

LAT'S HOUSTON (GLOBE 3/15) DESCRIBES "QUIXOTIC" EFFORT BY GKR AMBASSADOR AND PRESS ATTACHE TO LOBBY FRESHMEN HOUSE DEMS ON NEED FOR MORE MIL AID. NOTES IN MOST CASES GOT COLD SHOULDER. NYT PP QUOTES HIGH CRS OFFICIAL

DR. GAY ALEXANDER, WHO WORKED WITH REFUGEES IN CAMBODIA, THAT US SHOULD STOP MIL AID TO END "SENSELESS WAR" -- FIRST PUBLIC DENUNCIATION OF US POLICY BY OFFICIAL IN USG-FINANCED PROGRAM. NOTES OFFICIALS OF SOME OTHER VOLAGS WORKING IN CAMBODIA DO NOT SHARE VIEW, AND ARGUE PRIVATELY THAT WITHOUT MIL AID, ECON AID WOULD BE USELESS. ALEXANDER SAID SHE HAD WRITTEN AMB DEAN PASSING REPORTS HEARD ABOUT CORRUPTION, BUT GOT NO ACKNOWLEDGEMENT; US EMBASSY HAD "NO COMMENT" ON VIEWS OR LETTER.

US EMBASSY BURNED DOCUMENTS, TOLD REFUGEE AGENCIES PARE STAFFS DOWN TO ESSENTIAL PERSONAL, APPARENTLY ANTICIPATING PP MAY SOON FALL (AP, NYDN; CHITRIB; PHINQ). SUN'S ISAACS IN PP REPORTS ABOUT 1000 FRENCH CITIZENS ELECTED TO STAY. NOTES SINCE US HAS RESOURCES, "WIDELY ASSUMED" IF CONDITIONS PERMIT IT WILL EVACUATE OTHER FOREIGNERS IF NECESSARY. QUOTES RELIABLE SOURCE THAT "UNDER PRODDING" FROM US EMBASSY, AIR CAMBODGE RESUMED FLIGHTS OUT OF PP

ON DAILY BASIS, AND FLIGHTS HEAVILY BOOKED. NYT'S SCHANBERG IN PP REPORTS US EMBASSY BEGAN EVACUATE RELIEF PERSONNEL (EXCERPTED IN USIA WIRELESS FILE). WP'S FENTON IN PP SEES EVACUATION AS REFLECTION OF US NERVOUSNESS OVER CONGRESS AID VOTE, RATHER THAN OUT-GROWTH OF MIL SITUATION (EXCERPTED IN USIA WIRELESS FILE).

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INSURGENTS CLOSE IN ON NEAK LUONG, CAPTURE AIRSTRIP. GKR EFFORT TO FORM NEW CABINET BOGGED DOWN IN POLITICAL BARGAINING (CSM). FIGHTING REACHES OUTSKIRTS OF NEAK LUONG MARKET, ACCORDING MIL SOURCES (AP NYDN, SUN; CHITRIB; PHINQ).

DOD SPOKESMAN SAYS GKR MIL OFFICIALS GIVEN INFO GATHERED BY US RECON ON POTENTIAL TARGETS, DENIES US CONDUCTING BOMBING CONTROL; STATEMENT FOLLOWS SYMINGTON CLAIM US EMBASSY SECRETLY CONTROLS GKR AIR STRIKES (WP).

SUN'S ISAACS IN PP (3/16) FINDS CITY AWAITING FATE, DESCRIBES ACUTE POVERTY AND UNREAL AIR IN RESIGNED CAPITAL. NYT SPECIAL FROM U TAPAO TELLS OF SUPPLY LIFT FROM THAILAND THAT IS PP'S LIFELINE, AND OF SOME OF PEOPLE INVOLVED (3/16). SUN FROM PP REVIEWS CONFLICT THAT FOLLOWED SIHANOUK'S OUSTER 5 YEARS AGO, CONSIDERS CAMBODIA FUTURE POSSIBILITIES. NOTES CITY LIVES DAY-TO-DAY BUT CONTAINS INGREDIENTS FOR BREAKDOWN IN CIVILIAN MORALE. US GOAL IS "CONTROLLED SOLUTION" THAT COULD MEAN ANYTHING FROM SURRENDER TO C-F AND PEACE TALKS, AND "FORMER SEEMS MORE ATTAINABLE TO OBSERVERS"

THAN LATTER. OPINES MOST IMPONDERABLE FACTOR IS REAL INTENTION OF INSURGENT MOVEMENT.

GVN DECIDED ABANDON KONTUM, DARLAC AND PLEIKU PROVS SINCE REGION CANNOT BE HELD (CSM). WITHDRAWAL VIRTUALLY CUTS SVN IN HALF AND IS MOST STINGING SETBACK OF WAR. RETREAT CAME AS NVA SHATTERED GVN ATTEMPT RECAPTURE BAN ME THUOT. MIL SOURCES SAY RETREAT LEAVES ALMOST ALL HIGHLANDS TO COMMUNISTS. NO WORD ON FATE OF 9 AMCITS ISOLATED IN BAN ME THUOT (NYDN; PHINQ; CHITRIB; AP, SUN). NYT'S MARKHAM IN SAIGON DISCUSSES "MAJOR PULLOUT" BY GVN (EXCERPTED IN USIA WIRELESS FILE). WP'S MCCOMBS IN SAIGON CALLS SITUATION GRAVE, SEES REPORTED PULLOUT AS MAJOR DEFEAT FOR GVN. QUOTES GVN SPOKESMAN THAT NO SUCH DECISION MADE YET, BUT NOTES PERSISTENT RUMORS THIEU HAS DECIDED ABANDON HIGHLANDS. MENTIONS ISOLATION OF REGION AND IMPOSSIBILITY OF SUPPLYING ARVN UNITS. DISCUSSES CURRENT FIGHTING THROUGHOUT COUNTRY.

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SUN'S CORDDRY REPORTS HEAVY GVN AIR LOSSES (EXCERPTED

IN USIA WIRELESS FILE). WP'S MCCOMBS FROM SOUTHERN TAY NINH PROV DESCRIBES FIGHTING IN AREA, NOTES REAL THREAT THAT TAY NINH CITY MAY BE ISOLATED.

2. CHINA

CHINA-JAPAN FRIENDSHIP ASSN PRES LIAO REPORTEDLY TOLD VISITING JAPANESE BALLET TROUPE AIDE OVER WEEKEND THAT SOVIET QUEST FOR GLOBAL HEGEMONY IS MORE DANGEROUS THAN THAT OF US, AND DANGER OF WAR IS INCREASING. BUT, ACCORDING PEKING ASAHI DISPATCH, LIAO TERMED AS OUTRAGEOUS SLANDER REPORTS THAT PEKING IS SEEKING MILITARY ALLIANCE WITH JAPAN. LIAO ADDED THAT SOVIET IS SEEKING MARITIME SUPREMACY FROM SEA OF JAPAN THROUGH MALACCA STRAIT TO INDIAN OCEAN (NYT).

PBS TO TELECAST SHIRLEY MACLAINE'S CHINA DOCUMENTARY FRIDAY ("THE OTHER HALF OF THE SKY"). AT MONDAY PRESS CONFERENCE, ACTRESS SAID SHE EARLIER OFFERED FILM TO THREE COMMERCIAL TV NETWORKS; ABC, NBC DECLINED FLATLY, SHE SAID, CBS OFFERED TO PRESENT FILM IF SPONSOR OBTAINED. FOLLOWING PBS SHOWING, MACLAINE AND OTHER WOMEN IN DELEGATION THAT VISITED PRC WILL APPEAR FOR ROUNDTABLE DISCUSSION ON TRIP -- MODERATED BY AUDREY TOPPING AND O. EDMUND CLUBB (ADAMS, NYDN).

PRC OFFICIALS DISCLOSED MAR 17 THAT "MILTON," ONE OF PAIR OF MUSK-OXEN GIVEN CHINA BY FORMER PRES NIXON IN RETURN FOR TWO PANDAS, DIED FEB 20 OF "HARDWARE DISEASE" (TORONTO GLOBE AND MAIL DISPATCH IN WP, NYT). CHINESE TOLD USLO OF MILTON'S DEATH MARCH 17. PEKING ZOO KEEPERS HAD EVADED QUESTIONS ABOUT MISSING MUSK-OX'S HEALTH RECENTLY. PRC ANNOUNCEMENT CAME SHORTLY AFTER SMITHSONIAN OFFICIAL MADE PRIVATE VISIT TO ZOO AND WAS UNABLE GAIN INFO ABOUT MILTON (REUTER PEKING).

3. KOREA

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NYT (SEOUL) SAYS TONG-A ILBO PUBLISHER MONDAY EVICTED NEWSMEN FROM PLANT THEY SEIZED WEEK AGO. FIVE NEWSMEN REPORTED INJURED IN MELEE WITH 150 YOUTHS MOBILIZED TO OUST THEM. SK JOURNALISTS' ASSN CHARGES "COLLUSION" BETWEEN GOVT, MANAGEMENT TO SUPPRESS PRESS FREEDOM. STRIKE-BREAKING RAISES PROSPECT OF STUDENT DEMONSTRATIONS IN SUPPORT OUSTED NEWSMEN, WHO CONTINUE HUNGER STRIKE TWO BLOCKS AWAY. PROTEST BY 100 NEWSMEN AT HANKOOK ILBO CONTINUES, WITH SUPPORT OF CHRISTIAN, OPPOSITION GROUPS (USIA WIRELESS FILE 3/18).

REUTER SEOUL NOTES PROSECUTION TUESDAY ASKS DEATH SENTENCE FOR CHIN TU HYUN, LEADER OF ALLEGED NK SPY RING, AND TWO ACCOMPLICES, PRISON TERMS FOR 12 OTHERS. ALLEGED RING BROKEN UP BY ARMY LAST OCTOBER WHEN CHIN CAME FROM JAPAN AS HEAD PRO-SEOUL RESIDENTS ASSN (MINDAN) DELEGATION TO ARMED FORCES DAY CEREMONY. CHIN CHARGED WITH RECRUITING DISSIDENT TEACHERS, CHURCH LEADERS TO TRAIN SECRETLY IN JAPAN FOR PRO-COMMUNIST UPRISING IN SK; ALSO ACCUSED TWICE VISITING NK FOR SPY TRAINING, INSTRUCTIONS.

WP'S RADCLIFFE SAYS (3/17) TONG SUN PARK ONE OF THREE PISCES HONORED AT BIRTHDAY PARTY HOSTED SUNDAY BY DEP SEC COMM MALETSTA. GUESTS INCLUDED SENS TOWER, BROOKE, STEVENS; REPS MONTGOMERY, BRADEMUS, BOWEN; FORMER REP HANNA, AND AMBASSADORS OF DR, EGYPT, JORDAN. RADCLIFFE SAYS PARK EXPLAINED HE NOT BEING "MYSTERIOUS" ABOUT ROLE IN RICE SALES, MERELY URGED KOREA BUY FROM US AS INTERMEDIARY FOR "FRIENDS IN LOUISIANA" WHO WANTED SELL SURPLUS (PHOTO OF PARK, HANNA, MALETSTA).

4. JAPAN

DOLLAR DROPS IN TOKYO MONDAY TO 287.38 YEN (WSJ) AS MOF, BANK OF JAPAN ISSUE JOINT PROVISIONAL REPORT JAPAN POSTED BOP SURPLUS OF 270 MILLION DOLS IN FEB,

IN CONTRAST 1.2 BILLION DOL DEFICIT IN JAN (REUTER, NYT).

NYT'S HALLORAN IN TOKYO SAYS MINOBE DECLARES MONDAY
WILL SEEK RE-ELECTION AS GOVERNOR TOKYO, WITH SOCIALIST,
COMMUNIST SUPPORT, AGAINST POPULAR MP SHINTARO ISHIHARA,
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AND MASATOSHI MATSUSHITA, OF DSP, WHO ALMOST BEAT
MINOBE IN 1967. STATES APRIL 13 ELECTION PROMISES
BE "MOST ROUSING" IN YEARS, WITH LDP BACKING ISHIHARA
IN HOPE OF BREAKING LEFTIST HOLD ON TOKYO GOVERNMENT.

WSJ'S PEARLSTINE IN TOKYO SAYS STOCKS CONTINUE RISE
DESPITE GLOOMY ECONOMIC OUTLOOK. JAPANESE BROKERS
EXPECT D-J RISE REST OF YEAR, BUT RECOGNIZE MARKET
"STILL SHAKY" AND VULNERABLE TO "ANY SPATE OF BAD NEWS."
QUOTES NUMURA SECURITIES' ANALYST THAT JAPAN "ALREADY
HAS ADJUSTED TO THE NEW PRICES OF OIL AND OTHER RAW
MATERIALS."

CSM'S FINANCIAL EDITOR FRANCIS IN TOKYO SAYS JAPANESE
STEELMAKERS ROOT FOR RAPID RECOVERY OF US ECONOMY,
WHERE RECESSION THREATENS THEIR LARGEST EXPORT MARKET.
FACING RECESSION OF OWN THEY TRYING EASE SALES PROBLEMS

BY INCREASING EXPORTS, BUT NOTES US STEELMAKERS BELIEVE
NEW US TRADE LAW ACT MAY MAKE EASIER TO HIT IMPORTS
WITH ANTI-DUMPING PROCEDURES IF JAPANESE CUT EXPORT
PRICES TOO DRASTICALLY.

TOYO KOGYO TO MARKET TWO NEW LUXURY CARS WITH LOW-POLLUTION
ROTARY ENGINES APRIL 1, INCLUDING PARTS SUPPLIED BY
GM-HOLDEN OF AUSTRALIA THROUGH GM JAPAN AFFILIATE
ISUZU. NO EXPORTS PLANNED NOW (UPI, JOC).

JOC (WASHINGTON) CITES SUMITOMO CHEMICAL PRES HASEGAWA
LUNCHEON STATEMENT FRIDAY THAT JAPAN TO BEGIN REFLATE
ECONOMY SOON BY RELAXING MONETARY POLICY, EXPANDING
PUBLIC INVESTMENT; AND THAT HI-LEVEL ECON MISSION TO US
HE HEADED "ENCOURAGED" BY PROSPECTS FOR IMPROVEMENT IN
US ECONOMY LATER IN YEAR.

FUJI BANK ACQUIRES 2.84 PERCENT INTEREST IN EUROPEAN
ARAB HOLDING S.A., LUXEMBURG-BASED MULTINATIONAL HOLDING
COMPANY FORMED 1972 BY EBIC AND 16 ARAB FINANCIAL IN-
STITUTIONS (JOC).

5. AUSTRALIA
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REUTER (CANBERRA) NOTES WHITLAM TOLD PRESS TUESDAY PRG ASKED OPEN OFFICE IN AUSTRALIA; PM SAID ANY SUCH OFFICE "WOULD BE ALONG LINES" OF PRG INFO OFFICES IN SOME SCANDINAVIAN COUNTRIES.

WHITLAM WELCOMES SIMULTANEOUS TOKYO, CANBERRA ANNOUNCEMENT OF NEW 2,400 TON BEEF QUOTA FOR OKINAWA; SAYS AUSSIES EXPECT FILL HALF QUOTA. ADDS AMOUNT "NOT SIGNIFICANT" BUT WELCOMES GOJ REAFFIRMATION WILL APPROACH FURTHER MEAT IMPORTS IN "FORWARD-LOOKING, CONSTRUCTIVE MANNER" (UPI, JOC).

DEF MIN BARNARD SAYS SKYLARK ROCKET LAUNCHES GERMAN SCIENTIFIC PAYLOAD FROM WOOMERA ROCKET RANGE (REUTER, WP).

USDA REPORTS MIXED REACTION TO SYDNEY FUTURES EXCHANGE ANNOUNCES AUSSIES TO OPEN FIRST LIVE BEEF CATTLE FUTURES MARKET IN JUNE (COMMODITY NEWS SERVICE, JOC).

REUTER (CSM) CALLS "OLD SYDNEY TOWN" AUTHENTIC RECONSTRUCTION OF AUSTRALIA'S LARGEST CITY, AS WAS IN 19TH CENTURY; SAYS OWNERS SEE PROJECT AS TOURIST ATTRACTION, AID TO EDUCATION.

6. MARIANAS

SENATE (47-39) APPROVES 1.5 MILLION DOL AID AUTHORIZATION FOR MARIANAS, OVER SEN HART OBJECTION VOTE SHOULD BE DELAYED TILL PLEBISCITE ON COMMONWEALTH STATUS APPROVED BY CONGRESS (WP).

7. THAILAND

CSM (BANGKOK) NOTES KUKRIT POLICY STATEMENT ANNOUNCED MONDAY, SAYS RTG WILL RECOGNIZE CHINA, ASK US WITHDRAW TROOPS WITHIN YEAR, SEEK IMPROVE RELATIONS WITH NVN. ASSEMBLY VOTE ON POLICY WEDNESDAY. NYT SPECIAL (BANGKOK) SAYS POLICY AIMS WIN LEFT-WING SUPPORT FOR MINORITY
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COALITION IN ASSEMBLY CONFIDENCE VOTE. NOTES KUKRIT SET CONDITION FOR COMPLETION OF US WITHDRAWAL IN ONE YEAR, IF "POLITICAL AND MILITARY SITUATION IN THIS

REGION PERMITS"; IF CAMBODIAN WAR IS EXPANDED INTO THAILAND, OR "ROCKETS FALL ON OUR SOIL, THEN WE HAVE TO THINK IT OVER." WP (NEWS DISPATCHES) SAYS AMEMBASSY SPOKESMAN DECLINES COMMENT, BUT CITES US SOURCES THAT US TROOPS WOULD BE PULLED OUT IF RTG WISHES. (WRAP-UP IN USIA EX-FILE 3/18).

8. PORTUGUESE TIMOR

COL LEMOS PIRES, GOVERNOR PORTUGUESE TIMOR, STOPPED OVER JAKARTA MONDAY, FOR "POSSIBLE TALKS" WITH GOI; RETURNING FROM CONSULTATIONS IN LISBON WITH DECOLONIZATION COMMITTEE (AFP, WP).

COMMENT AND ANALYSIS

9. INDOCHINA

WSTAR'S MCGRORY (MAR 16) CITES RECENT GALLUP POLL AS PROOF COUNTRY HAS REACHED JUDGMENT AGAINST ADDITIONAL SVN/CAMBODIA MIL AID; BUT FINDS CONGRESS "STILL WRITHING, CAUGHT IN THE TOILS OF GUILT, ANGUISH AND OBDURACY BROUGHT HOME" BY RECENT CODEL THAT VISITED INDOCHINA. THIS DIVIDED "TROUPE" HAS NOW MADE HFASUBC APPEARANCE, "MANAGED TO CONFUSE AND DIVIDE THOSE COLLEAGUES WHO SUFFER FROM THE SAME ILLUSION, NAMELY, THAT THE USG HAS SOME MEASURE OF CONTROL OVER" CAMBODIAN DEBACLE. SAYS ADMIN POSITION SERIOUSLY UNDERCUT LAST WEEK "BY TWO OF HIS OWN MEN" -- COLBY AND HABIB -- NEITHER OF WHOM WOULD SUBSCRIBE TO PRES' POSITION THAT 222 MILLION DOLS WOULD MAKE DIFFERENCE. ADMIN LINE WAS ECHOED ONLY BY REP CHAPPELL, WHO "SEEMS TO HAVE VISITED ANOTHER COUNTRY.

WP'S GREENWAY IN PP (MAR 16) REPORTS OFTEN HEARING CAMBODIANS ASKING NOWADAYS HOW MUCH US REALLY EXERTING ITSELF TO BRING ABOUT SETTLEMENT. SAYS THIN LIST OF US ATTEMPTS TO TALK WITH SIHANOUK PRODUCED RECENTLY UNCLASSIFIED

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BY DOS LACKED ENOUGH DETAIL TO SUBSTANTIATE CLAIM OF "CONCERTED, SUSTAINED AND CONTINUAL EFFORT." MANY DIPLOMATS IN PP BELIEVE US HAS LEFT CAMBODIA TO DRIFT ON TOO LONG, AND MANY AGREE WITH REMARK CHOU ALLEGEDLY MADE TO HAK LAST NOV -- THAT 1974 WAS LAST YEAR AMERICANS COULD HAVE LEFT CAMBODIA "WITH THEIR HEADS HIGH." CONCEDES INSURGENTS HAVE NEVER EXPRESSED ANY INTEREST IN COALITION THAT MIGHT HAVE SAVED US FACE.

WSTAR'S BRADSHER PICTURES ADMIN CONCERN GROWING FROM

COMBINATION OF STEPPED-UP FIGHTING IN SVN AND CONGRESSIONAL RELUCTANCE TO VOTE SUPPLEMENTAL MIL AID. MAINTAINS SAIGON'S FORCES WEAKER NOW THAN AT TIME OF SUPPOSED C-F, WITH NVA STRONGER, BETTER-EQUIPPED. SAYS ALTHOUGH ADMIN HAS BEEN FOCUSING PUBLIC CAMPAIGN ON MORE AID IN CAMBODIAN SITUATION, MORE INTENSIVE APPEALS FOR SVN ARE NOT FAR BEHIND (MAR 16).

ROLAND YATES IN CHITRIB SAYS CAMBODIA HAS KNOWN NO PEACE SINCE SIHANOUK LEFT FIVE YEARS AGO. PREVIOUSLY PREVALENT OPTIMISM HAS VANISHED. MOST CAMBODIANS DO NOT UNDERSTAND NEED FOR WAR. DISCUSSES RELATIONSHIPS BETWEEN KHMER ROUGE AND SIHNAOUK AND BELIEVES LATTER WOULD PROBABLY BE INSTALLED AS FIGUREHEAD SYMBOL OF NATIONAL UNITY IF REDS WIN. QUOTES AMERICAN BUSINESS MAN LES BOYD AS LEAVING BECAUSE GOVERNMENT WILL FALL WITH OR WITHOUT US AID.

GEORGE WILL IN POST, PHINQ AND SUN DISCUSSES 20TH CENTURY US FOREIGN POLICY WHICH OSCILLATES BETWEEN EXTREMES. MAIN THRUST OF CURRENT POLICY IS AWAY FROM "FOREIGN EXERTIONS", BUT US AIRLIFT IN CAMBODIA CLEARLY CONTRARY TO THIS DIRECTION. US RELUCTANCE TO SUPPLY ADDED AID TO CAMB REFLECTS OUR UNWILLINGNESS TO BACK LOSERS. CONCLUDES BY NOTING KHMER ROUGE BRUTALITY WHICH WILL PROBABLY SPEED END TO WAR.

JAMES MCCARTNEY IN BOST GLOBE SAYS HALF DOZEN ROOKIE CONGRESSMAN HAVE DEALT PRES FORD NEAR DEATH BLOW ON CAMBODIAN AID. FIGHT CONTINUES BUT ADMINISTRATION IS FLOORED, WITH COUNT AT EIGHT. DOMESTIC UNCLASSIFIED

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ISSUES ARE OF MAJOR IMPORTANCE TODAY, THEY FEEL, WITH THE INDOCHINA WAR "IRRELEVANT."

SCHANBERG IN NYT (3/16) SAYS THERE IS NO LACK OF EVIDENCE TO SUPPORT VIEW LON NOL GOVT "FECKLESS, INCOMPETENT AND DEEPLY CORRUPT." ANYTHING CAN BE BOUGHT IN PP AND GENERALS RUN RESTAURANTS, AND RENT VILLAS TO AMERICANS.

CORRUPTION NOT NEW IN CAMB BUT CONTRASTS SHARPLY WITH BARREN LIVES OF REFUGEES. QUOTES WESTERN DIPLOMAT SAYING GKR DOESN'T DESERVE TO WIN.

STORIN IN BOST GLOBE SAYS BOTH ARMIES HAVE LITTLE TRAINING, LIMITED FIRE POWER AND SOPHISTICATION IN CAMBODIA. REHASHES STORIES OF GKR LACK OF ADEQUATE FOOD SYSTEM FOR MILITARY. DISCUSSES EQUIPMENT ON

BOTH SIDES AND MENTIONS HEAVY RECENT MANPOWER LOSSES BY BOTH.

NYT (3/16) SAYS SUBSTANTIAL DIFFERENCE EXISTS BETWEEN NEED AND JUSTIFICATION FOR MIL AID TO CAMB AND VIETNAM. ADMIN SHOULD MAINTAIN MINIMUM AID NEED IN SVN CONSISTENT WITH PARIS ACCORDS. CALLS FOR NEW POLITICAL DIALOGUE BETWEEN OPPOSING VN FORCES ACCOMPANIED BY CAREFULLY PHASED-DOWN PROGRAM OF US MIL AID.

TOM WICKER IN NYT (3/16) SAYS "SURRENDER" AND "BLOODBATH" ARE TWO SCAREWORDS FACING ANTI-AID MEMBERS OF CONGRESS. AT TIME UNITY NEEDED IN US, THIS NO TIME TO START A NEW ROUND OF FINGER POINTING. CAMB NOT OURS TO LOSE. LON NOL CHIEFLY RESPONSIBLE FOR DEFEAT, AS IS US DUE TO 1970 INCURSION. QUESTIONS LIKELIHOOD OF BLOODBATH. ONLY IN WASHINGTON "DOES ANYONE WANT TO FIGHT TO THE LAST CAMBODIAN."

KRAFT IN BOST GLOBE SAYS HARDLY ANYONE CARES ABOUT COMMUNIST TAKEOVER IN CAMBODIA. HAK OUT OF TOWN AT CRITICAL TIME. WH HANGING IN THERE BUT WITHOUT GREAT AUTHORITY.
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IVOR PETERSEN IN NYT SAYS HIGHLANDS BACK ON CENTER STAGE IN VN. DISCUSSES BATTLE HISTORY OF AREA AND MONTAGNARD POPULATION.

STORIN IN BOST GLOBE DISCUSSES FIVE YEARS OF SOMEONE ELSE'S WAR. CAMBODIAN POPULATION REMAINS TOTALLY INDIFFERENT TO WAR. SAYS UNFORTUNATE THAT EMBASSY RECENTLY PUBLISHED DIRECTORY WITH LOCAL EMPLOYEE NAMES. QUOTES ONE LOCAL SECRETARY AS SAYING SHE NOT POLITICAL -- JUST WORKS FOR MONEY.

10. CHINA

ELEGANT IN LATIMES (3/14) SAYS CHINESE EMBARKED ON VOLATILE CAMPAIGN AIMED AT MEASURED ECONOMIC PROGRESS AMID UNITY, STABILITY. CAMPAIGN NEEDED BECAUSE:
1) PRC MUST JUSTIFY IDEOLOGICAL PURITY OF STRESS ON ECO DEVELOPMENT, 2) SUBSTANTIAL OPPOSITION AGAINST ECO DEVELOPMENT POLICY ARISING FROM LEFT AND RIGHT, 3) PEKING KNOWS ONLY ONE WAY TO RULE -- CAMPAIGNS NECESSARY. MAJOR QUESTION IS WHEN CAN CHINESE ABANDON CAMPAIGNS AND GET ON WITH ECO PROGRESS WITH UNITY, STABILITY.

NYT'S LELYVELD, IN HK (MAR 15), FINDS FRAGMENTARY EVIDENCE SUGGESTING MAJOR REASSESSMENT OF CHINESE WAGE STRUCTURE IS UNDER WAY, WITH OFFICIALS/MANAGERIAL PERSONNEL PERHAPS FACING REDUCTIONS, AS DURING GPCR. AS RESULT OF NEW LOOK AT WAGES INITIATED LAST MONTH BY TWO OF MAO'S ORACULAR "INSTRUCTIONS" AND YAO WEN-YUAN'S MAJOR ARTICLE, PATTERN IS BEGINNING EMERGE OF EFFORTS TO CUT WAGES AT UPPER END OF SCALE AND RAISE THOSE AT LOWER END. STRIKINGLY, THERE ARE HINTS FAMILY SIZE BEING TAKEN AS BASIS NOT ONLY FOR WAGE ADJUSTMENTS, BUT FOR ADJUSTMENTS IN SIZE OF PLOTS ALLOTTED COMMUNE MEMBERS FOR PRIVATE PRODUCTION.

LELYVELD NOTES ALTHOUGH MAO HAS FREQUENTLY SHUNNED PUBLIC APPEARANCES FOR MONTHS, HIS FAILURE RECENTLY TO SEE FRELIMO'S MACHEL, CANGO PREMIER LOPES AND GUYANA PM BURNHAM IS FIRST TIME IN NEARLY THREE YEARS UNCLASSIFIED

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CHAIRMAN HAS SKIPPED CEREMONIAL MEETINGS WITH SUCH VISITORS. SPECULATES MAO MAY BE TIRED OF SUCH RITUALS OR ILL; BUT CHINA ANALYSTS INCLINED TO LOOK FOR POLITICAL MEANING. IN SOME WAY, THEY FEEL, MAO'S ABSENCE FROM VIEW IS LIKELY CONNECTED WITH POLITICAL COURSE CHARTED RECENTLY AT CCP CENTRAL COMMITTEE AND NPC MEETINGS. CHIANG CHING SIMILARLY HAS BEEN OUT OF VIEW SINCE JAN, WHEREABOUTS UNKNOWN. CHINA ANALYSTS CAN IDENTIFY PIECES OF PUZZLE, BUT CANNOT ASSEMBLE THEM IN CONVINCING WAY; MOST ELABORATE EXPLANATIONS, REDUCED TO ESSENTIALS, AMOUNT TO LITTLE MORE THAN TRUISM THAT SOMETHING HAPPENING.

LAT'S ELEGANT (MAR 16), IN HK, SAYS CHOU HAS JUST PULLED OFF ONE OF HIS NEATER COUPS -- INDUCING IMPRESSIONABLE "LEFTIST" LITERARY CRITIC YAO WEN-YUAN, WHO FIRED FIRST SALVO OF FIRST GPCR, TO COME OUT WITH RINGING DEFENSE OF GOVT'S PRESENT "CONSERVATIVE" POLICIES. CONTENTS ARTICLE JUST PUBLISHED FURTHER

INDICATES LEFTISTS' RANKS NOW BADLY SPLIT -- IN PART BY NATURAL PERSONAL RIVALRIES, IN PART BY CHOU'S ADROIT TACTICS. STABILITY, PRODUCTION ARE TODAY'S CATCHWORDS IN CHINA -- JUST WHAT CHOU WANTS.

11. JAPAN

PARADE MAGAZINE (WP MAR 16) ASKS WHETHER JAPANESE WORKERS MORE EFFICIENT, INDUSTRIOUS, PRODUCTIVE THAN AMERICANS -- QUOTES JOHNSON AND OUCHI OF STANFORD BUSINESS SCHOOL THAT THEY ARE. TWO

PROFESSORS PUBLISHED FINDINGS RECENTLY IN HARVARD BUSINESS REVIEW, CONCLUDING "WE'VE DONE WELL WITH INANIMATE ELEMENTS" BUT "JAPANESE SIMPLY OUTMANAGE US" WHEN IT COMES TO PEOPLE. ALSO NOTE SONY, DATSUN, ETC, SUCCEEDED IN US IN RAISING EMPLOYEE MORALE, ESTABLISHING TOTAL EMPLOYER/EMPLOYEE RELATIONSHIP AND FULFILLING WORKERS' "NEED TO BELONG."

NYT'S CLARITY IN MOSCOW (3/17) DESCRIBES GENTLE BUT UNMISTAKABLE WARNINGS THAT SOVIET "UNEASY" ABOUT UNCLASSIFIED

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JAPAN'S MOVE RESUME PEACE TALKS WITH CHINA, WHILE JAPANESE INTRANSIGENCE ON NORTHERN ISLANDS CONTINUES BALK SOVIET-JAPAN PEACE TREATY. QUOTES TASS COMMENT: "JAPANESE DO NOT WANT TO BE USED AS CHESS PIECES IN THE ANTI-SOVIET GAME OF THE MAOISTS." OBSERVES "AUTHORITATIVE PRESS COMMENTARY" BEGAN SHOW SOVIET "MALAISE" AFTER MIYAZAWA'S JANUARY VISIT, DURING WHICH ANTI-SOVIET PEKING REVIEW CLAIMS HIS OUTSPOKENNESS ON NT ISSUE LEFT GROMYKO "TONGUE-TIED." STILL, SINCE VISIT, SOVIET PRESS CONTINUES STRESS BENEFITS OF INCREASED TRADE WITH JAPAN, BUT AT SAME TIME ATTACKS PEKING AND UNIDENTIFIED JAPANESE POLITICIANS AND NEWSPAPERS FOR TRYING "DRIVE A WEDGE" BETWEEN MOSCOW, TOKYO.

12. KOREA

NYT (3/16) CARRIES TWO-PAGE SPREAD ON "SOME THEORETICAL PROBLEMS OF THE SOCIALIST ECONOMY" IN WHICH KIM IL SUNG TELLS IN CONSIDERABLE DETAIL HOW TO DEAL WITH SOCIALIST SOCIETY PROBLEMS: RELATION BETWEEN SCALE OF ECONOMY AND RATE OF PRODUCTION GROWTH; MEANS OF PRODUCTION IN FORM OF COMMODITY; USE OF LAW OF VALUE; AND PEASANT MARKET AND WAY TO ABOLISH IT. AD PLACED BY INFO SECTION, DPRK OFFICE OF DPRK PERMANENT OBSERVER, UN.

HARVARD'S J. COHEN IN LAT (3/16) FINDS KOREAN BAR SLOW TO CHALLENGE PARK REGIME; LIKE COUNTERPARTS ELSEWHERE, IS DOMINATED BY SENIOR, WEALTHY, CAUTIOUS ESTABLISHMENT FIGURES WITH MUCH TO LOSE BY PROTESTING "DESCENT TOWARD TOTALITARIANISM." BUT NOTES INDIVIDUAL LAWYERS SLOWLY HAVE BEGUN PLACE "INCREASINGLY INFLUENTIAL" ADS IN TONGA ILBO THAT REVEAL FAITH IN LIBERAL IDEAS. SOME SHUN ANONYMITY, LIKE KOREA'S FIRST WOMAN LAWYER LEE TAI YOUNG WHO "BRAVELY IDENTIFIES" SELF TO SPUR WOMEN'S RIGHTS, AID-TO-POOR MOVEMENTS. ALSO, SNU CLASS OF 69 EXPRESSED "PROFOUND MORAL GUILT FOR NOT

HAVING PRACTICED WHAT WE HAVE LEARNED."

BELIEVES MOST LEADERS REALIZE TIME COME TO RETRIEVE
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PROFESSION'S PRESTIGE, AS SHOWN BY RECENT FORCED
RESIGNATION OF BAR ASSN PRESS KWAK MYONG DUK BY
COLLEAGUES OF OWN OLDER GENERATION, FOR FAILURE ACT
ON RECOMMENDATIONS TO URGE GOVT RESTORE DEMOCRATIC
CONSTITUTIONAL PRACTICE. STATES SIGNIFICANCE SHOULD
NOT BE UNDERESTIMATED, FOR SHOWS BAR NOW HAS INITIATED
"CLEANSING PROCESS" SIMILAR TO THAT OF STUDENTS, OTHER
GROUPS AS PREREQUISITE TO EFFECTIVE PROTESTS -- AND
REMINDS THAT CRITICAL MASS OF LAWYERS "FUELED BY
RIGHTEOUS INDIGNATION" CAN BE POTENT FORCE AGAINST
OPPRESSION, AS ENGLISH, US AND FRENCH REVOLUTIONS
DEMONSTRATED.

13. GENERAL

ANDERSON (WP MAR 16) POLLED 30 OF "MOST ASTUTE FOREIGN
AFFAIRS OBSERVERS IN WASHINGTON" -- EXPERTS IN DOS,
DOD, CONGRESSIONAL KEY POSITIONS, ACADEMICIANS AND
FEW OF "NEUTRAL" EMBASSIES -- ON WORLD'S "WORST LEADERS."
UGANDA'S AMIN WAS OVERWHELMING CHOICE AS MOST IRRESPONSIBLE;
19 LISTED THIEU AS SECOND WORST BECAUSE OF HIS VN WAR
ROLE; LON NOL WAS RANKED FIFTH, PRIMARILY FOR INEFFECTIVENESS;
MARCOS WAS LISTED AS SIXTH WORST, FOR DESTROYING PHILS'
DEMOCRACY; KIM IL SUNG WAS SEVENTH, LEADING POLL AS
WORST COMMUNIST LEADER; PRES FORD PLACED NINTH BECAUSE
OF LACK OF LEADERSHIP; PARK RAN TENTH, BECAUSE OF
SUPPRESSING OPPONENTS. MAO WAS ALSO FREQUENTLY MENTIONED
IN SURVEY. INGERSOLL

NOTE BY OC/T: POUCHED BUDAPEST.

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 19 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE061271
Document Source: CORE
Document Unique ID: 00
Drafter: STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750096-0513
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750336/aaaabfww.tel
Line Count: 747
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2003 by RuthemTJ>; APPROVED <23 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MARCH 18 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: EA POSTS MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006